

## ***Applicant's Response to Examiner's Objections and Rejections***

### ***Claim Rejections - 35 USC § 101***

Examiner rejects Claims 1- 17 and 21-29 under 35 U.S.C. 101, stating that the claimed invention is directed to non-statutory subject matter. Examiner refers to Supreme Court precedent and recent Federal Circuit decisions, holding that a 35 U.S.C § 101 process must (1) be tied to a particular machine or (2) transform underlying subject matter (such as an article or materials) to a different state or thing. Examiner cites Bilski et al., 88 USPQ 2d 1385 CAFC (2008); Diamond v. Diehr, 450 U.S. 175, 184 (1981); Parker v. Flook, 437 U.S. 584, 588 n.9 (1978); Gottschalk v. Benson, 409 U.S. 63, 70 (1972); and Cochrane v. Deener, 94 U.S. 780,787-88 (1876).

Examiner adds that an example of a method claim that would not qualify as a statutory process would be a claim that recited purely mental steps. Thus, to qualify as a §101 statutory process, Examiner notes that a claim should positively recite the particular machine to which it is tied, for example by identifying the apparatus that accomplishes the method steps, or positively recite the subject matter that is being transformed, for example by identifying the material that is being changed to a different state. Examiner holds that Applicant's method steps of Claims 1-17 and 21-29 are not tied to a particular machine and do not perform a transformation and are therefore recite non-statutory subject matter.

Applicant respectfully replies that in judicial review of Bilski, the Supreme Court held that business method patents are not categorically precluded from patent protection. (Citation: No. 08-964, SUPREME COURT OF THE UNITED STATES, November 9, 2009, Argued, June 28, 2010, Decided.) Furthermore, the Supreme Court held in that same opinion that the machine-

or-transformation test for determining patent eligibility should not constitute the sole test for patentability; rather, that the machine-or-transformation test should only serve as guidance as to what is patentable.

Applicant respectfully replies that Claims 1- 17 and 21-29 are within the scope of a process are held by the US Supreme Court, and that Claims 1- 17 and 21-29 are patentable.

### ***Claim Rejections - 35 USC § 102***

Examiner rejects Claims 1-29 under 35 U.S.C. 102(b) as being anticipated by Risk Management Solutions, Inc (www.rms.com. September 18,2002, Terrorism Risk Brochure titled "Understanding and Managing Terrorism Risk" and associated webpages) (hereinafter referred to as "RMS").

Regarding Claims 1-29, Examiner holds that RMS teaches a method of assigning a quantitative risk value to a property, the quantitative risk value proportionally related to the likelihood of terrorist action against the property, comprising: receiving an evaluation of the susceptibility to damage of the property by a terrorist action that may affect the at least one aspect of the property; receiving an evaluation of the likelihood of a terrorist action directed against the property; and determining the quantitative risk value of the property at least partially in relationship to (1) the evaluation of the susceptibility to damage by terrorist action of the at least one aspect of the property, and (2) the evaluation of the likelihood of a terrorist action directed against the property, whereby the quantitative risk value may be used by an insurer in setting an insurance premium for an insurance policy (paragraphs 1-87).

Applicant replies that RMS fails to disclose or anticipate the claimed element of the method of the present invention of observing the effectiveness of a security force and deriving

from this observation of an evaluation of the risk of damage that might occur in response to a terrorist act. (See Paragraph 0021 of the Application.)

Applicant therefore respectfully submits that Claims 1 through 29 are allowable.

Examiner additionally rejects Claims 1-29 are rejected under 35 U.S.C. 102(b) as being anticipated by Henderson, et al. (USPAP 20040249679). Regarding, Claims 1-29, Examiner states that Henderson teaches a method of assigning a quantitative risk value to a property, the quantitative risk value proportionally related to the likelihood of terrorist action against the property, comprising: receiving an evaluation of the susceptibility to damage of the property by a terrorist action that may affect the at least one aspect of the property; receiving an evaluation of the likelihood of a terrorist action directed against the property; and determining the quantitative risk value of the property at least partially in relationship to (1) the evaluation of the susceptibility to damage by terrorist action of the at least one aspect of the property, and (2) the evaluation of the likelihood of a terrorist action directed against the property, whereby the quantitative risk value may be used by an insurer in setting an insurance premium for an insurance policy (abstract, figures, paragraphs 7-16, 28-107).

Applicant replies that Henderson fails to disclose or anticipate the claimed element of the method of the present invention of observing the effectiveness of a security force and deriving from this observation of an evaluation of the risk of damage that might occur in response to a terrorist act. (See Paragraph 0021 of the Application.)

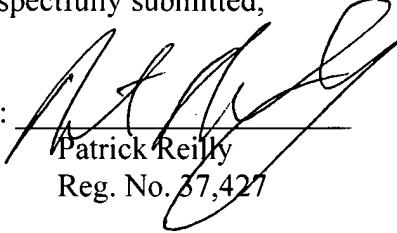
Applicant therefore respectfully submits that Claims 1 through 29 are allowable.

### ***Conclusion and Allowability of the Claims***

Applicant respectfully submits that Claims 1-29 as currently amended respectively are allowable.

If any matters can be resolved by telephone, Applicant requests that the Patent and Trademark Office call the Applicant at the telephone number listed below.

Respectfully submitted,

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